



Sixth Floor, 900 Howe Street
Vancouver, BC Canada V6Z 2N3

Phone: (604) 660-4700
BC Toll Free: 1-800-663-1385
Fax: (604) 660-1102
www.bcuc.com

Letter of Comment

In accordance with the Commission's Rules of Practice and Procedure, to submit a letter of comment concerning an application currently before the Commission, please provide a completed form to commission.secretary@bcuc.com. If email is unavailable, please mail the form to the address above. By doing so, you acknowledge that all letters of comment are published with the author's name as part of the public evidentiary record, both in print copy and on the Commission's website. All personal contact information provided on this page is removed before posting to the website. Forms must be received by the Commission by the last filing date included in the proceeding's regulatory timetable before final arguments.

Proceeding name: FortisBC Inc Net Metering Program Tariff Update

Are you currently registered as an intervener or interested party? [Yes / No]

No

Name (first and last): Eric Redmond (Micro Green Hydro)	
City: Vancouver	Province: BC
Email: [REDACTED]	Phone: [REDACTED]

Letter of Comment

Name (first and last): Eric Redmond (Micro Green Hydro)

Date: Sept 9, 2016

Comment: Please specify the reasons for your interest in the proceeding, your views concerning the proceeding, any relevant information that supports or explains your views, the conclusion you support and any recommendations. The Commission may disallow comments that do not comply with the Rules of Practice and Procedure.

Eric Redmond
Micro Green Hydro

[REDACTED]
Vancouver BC
[REDACTED]

Ms. Laurel Ross, Commission Secretary and Director
British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver BC
V6Z 2N3
Septembers 9th, 2016

RE: ForticBC Inc - Net Metering Program Tariff Update Application

Micro Green Hydro ("MGH") was previously an intervener in the BC Hydro application to amend Net Metering Service RS 1289 and wishes to make comment on the current Fortis BC application to alter RS 95. Fortis is proposing two alterations to RS 95 that MGH believes are unacceptable:

- a) Reducing the price for excess energy generation, and
- b) Reducing the size of generators

PRICE OF EXCESS ELECTRICITY

Fortis has proposed the price for excess energy generated by net metering participants be reduced to 4.303 cents per kWh, the current price of BC Hydro RS3808 Tranche 1 rate. MGH finds this unreasonable in that it does not reflect the cost of new ("greenfield") clean energy production in BC. The last time the price for new clean energy generation was tested in BC was during BC Hydro's Clean Power Call in 2010. The results from this call were used to establish BC Hydro's purchase price for energy under the Standing Offer Program. This price was also used to establish BC Hydro's pricing for excess energy generation for their net metering program, RS1289.

Using the BC Hydro RS3808 Tranche 1 rate as the price paid for excess net metering generation is inappropriate. Power currently sold to Fortis under the BC Hydro RS3808 Tranche 1 rate includes energy produced by coal, natural gas and heritage hydro assets (30+ year old dams, mostly with large reservoirs). No power produced under the net metering program is from such sources.

Based on the results from BC Hydro's 2010 Clean Power Call, the price paid for the product produced by net metering participants (new clean energy) should be 10+ cents per kWh.

The BC Utilities Commission is authorized to collect and publish a person or organization's personal information when they participate in a matter before the Commission under sections 26(c) and 33.1(r)(ii) and (iii) of the *Freedom of Information and Protection of Privacy Act* (FOIPPA). Subject to FOIPPA, all documents filed in respect to an application will be placed on the public record.

ELIGIBLE GENERATOR SIZE

Fortis proposes to add the following text to RS 95: “The program is not intended for customers who generate electricity in excess of their annual requirement.” This would effectively reduce the size of net metering projects to below 50kW in the vast majority of installations in order to comply with RS 95. MGH strongly disagrees with this position and wishes to reference decisions regarding sizing in previous BCUC net metering orders.

From pages 43 and 44 of BCUC order G-57-12:

“BC Hydro states that the original intent of the Net Metering program was to allow individual customers to meet all or part of their electricity demand and to that end, the 50 kW limit is consistent with the maximum amperage and voltage that most residential and commercial customers take service. The Panel has concerns about this rationale for the 50 kW limit. An underlying assumption appears to be that since a residence doesn’t require any greater capacity than 50 kW to meet its own consumption needs, then the owner doesn’t need to purchase and install generating equipment with a capacity greater than 50 kW. The Panel agrees that this would be the case for, say, a backup diesel generator – why pay for a larger piece of equipment than will be required? However, the Panel feels that the economics of the Net Metering program and the clean, small power installations that it comprises are fundamentally different. In this regard we note the situation of Zdenek Los. He submitted that he had sufficient resources – i.e. water licences and water pressure – to build a 90 kW plant. While it is true that this may far exceed his own domestic power requirement, it is presumably more economically efficient for him to install larger generation capability and sell the excess power back to BC Hydro, thus making his installation more cost effective and reducing the payback period on his capital investment. Implementing new generation capacity is an expensive endeavour, either for BC Hydro when it is building dams and powerhouses, or for a residential consumer installing distributed generation equipment. To this end, the Panel notes that in its Final Submission, BC Hydro stated that the key barrier to participation in RS 1289 remains the cost of technology. However, in the case of the distributed generation equipment typical in the Net Metering program, none of the capital costs are borne by BC Hydro or its ratepayers. As can be seen in Zdenek Los’ case, by allowing for a larger capacity limit, the Net Metering program could possibly be made more attractive and more accessible to potential customers, which would benefit BC Hydro and its ratepayers. It is the Panel’s view that the capacity of a Net Metering installation should be driven by considerations of economically available clean energy and not by the theoretical maximum capacity a homeowner may require. Further, given the emphasis placed on electrical self-sufficiency and clean electricity generation by BC energy policy and legislation, the Panel is of the opinion that encouraging participation by lowering barriers should be of primary importance.”

As seen above, the question of sizing has already been addressed in previous BCUC decisions. The 50kw sizing should not be reduced.

CONCLUSION

For the above reasons, MGH believes it is unreasonable to reduce the price paid for excess generation, and it is unreasonable to limit the size of generators.

Regards,



Eric Redmond, P.Eng.
Micro Green Hydro

